

<b>Streamlined Annual PHA Plan (HCV Only PHAs)</b>	<b>U.S. Department of Housing and Urban Development Office of Public and Indian Housing</b>	<b>OMB No. 2577-0226 Expires 02/29/2016</b>
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**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

**Applicability.** Form HUD-50075-HCV is to be completed annually by **HCV-Only PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, High Performer PHA, Small PHA, or Qualified PHA do not need to submit this form. Where applicable, separate Annual PHA Plan forms are available for each of these types of PHAs.

**Definitions.**

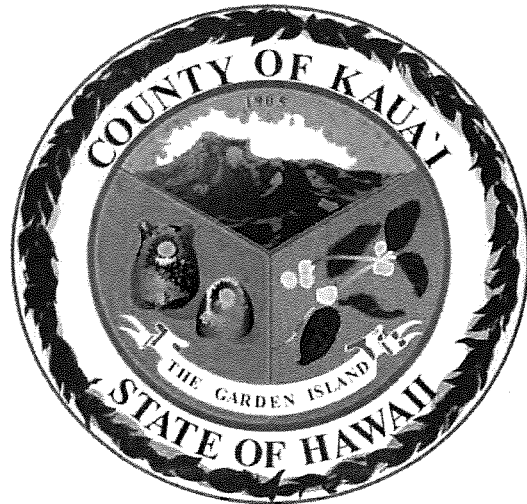
- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment, and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS and SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

A.	PHA Information.																														
A.1	<p> <b>PHA Name:</b> <u>Kauai County Housing Agency</u> <b>PHA Code:</b> <u>HI005</u>  <b>PHA Plan for Fiscal Year Beginning:</b> (MM/YYYY): <u>07/2019</u>  <b>PHA Inventory</b> (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)  <b>Number of Housing Choice Vouchers (HCVs)</b> <u>1160</u>  <b>PHA Plan Submission Type:</b> <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission </p> <p> <b>Availability of Information.</b> In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at the main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. </p> <p> <b>Kauai County Housing Agency's Annual PHA Plan and 5-Year Plan is available for public inspection at the our office located at 4444 Rice Street, Suite 330, Lihue, Hawaii 96766 between the hours of 8:00AM and 4:00PM, Monday through Friday, except on Federal and State holidays. The plans will also be available for inspection online as a PDF file at the following address</b>  <a href="http://kauai.gov/Government/Departments-Agencies/Housing-Section-8 -Rental -Assistance">http://kauai.gov/Government/Departments-Agencies/Housing-Section-8 -Rental -Assistance</a>. </p> <p> <input type="checkbox"/> <b>PHA Consortia:</b> (Check box if submitting a joint Plan and complete table below) </p> <table border="1"> <thead> <tr> <th>Participating PHAs</th> <th>PHA Code</th> <th>Program(s) in the Consortia</th> <th>Program(s) not in the Consortia</th> <th>No. of Units in Each Program</th> </tr> </thead> <tbody> <tr> <td>Lead HA:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program	Lead HA:																								
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<b>B.</b>	<b>Annual Plan.</b>				
<b>B.1</b>	<p><b>Revision of PHA Plan Elements.</b></p> <p>(a) Have the following PHA Plan elements been revised by the PHA since its last Annual Plan submission?</p> <p>Y   N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Housing Needs and Strategy for Addressing Housing Needs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Financial Resources.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Rent Determination.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Operation and Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Informal Review and Hearing Procedures.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification.</p> <p>(b) If the PHA answered yes for any element, describe the revisions for each element(s):</p>				
<b>B.2</b>	<p><b>New Activities</b></p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?</p> <p>Y   N</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Project Based Vouchers.</p> <p>(b) If this activity is planned for the current Fiscal Year, describe the activities. Provide the projected number of project-based units and general locations, and describe how project-basing would be consistent with the PHA Plan.</p> <p><b>Kauai County Housing Agency continues to evaluate properties for the use of Project Based Voucher. Any site selected for PBV would be consistent with the policies of deconcentrating poverty and expanding the housing and economic opportunities. PBV policies are located in Chapter 17 of the Agency's Administrative Plan.</b></p> <p><b>The agency is currently in process of implementing up to 25 PBV at numerous existing properties in various districts of the island .The agency will also evaluate potential PBV projects in future developments in the Lihue area.</b></p>				
<b>B.3</b>	<p><b>Most Recent Fiscal Year Audit.</b></p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y   N   N/A</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe:</p> <p>PLEASE SEE FULL DETAILS OF AUDIT FINDINGS ON ATTACHED FY2018 SINGLE AUDIT REPORT ON PAGE 27 &amp; 28. PLANNED CORRECTIVE ACTION CAN BE FOUND ON PAGE 33 AND 34 OF ATTACHED FY2018 SINGLE AUDIT REPORT.</p> <p><b>FY 2018 Single Audit report is included as Attachment A.</b></p>				
<b>B.4</b>	<p><b>Civil Rights Certification</b></p> <p>Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p> <p><b>Form HUD-50077 included as Attachment B.</b></p>				

B.5	<p><b>Certification by State or Local Officials.</b></p> <p><u>Form HUD 50077-SL</u>, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p> <p><b>Form HUD 50077-SL included as Attachment C.</b></p>
B.6	<p><b>Progress Report.</b></p> <p>Provide a description of the PHA's progress in meeting its Mission and Goals described in its 5-Year PHA Plan.</p> <p><b>Progress report is included as Attachment D.</b></p>
B.7	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) provide comments to the PHA Plan?</p> <p>Y. N  <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(a) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p> <p><b>At this time, PHA does not have a RAB, as it struggles to identify participants willing to meet and discuss program. HCV Manager has been reviewing requirements and working on new PHA procedures to gain participation from clients to form the required PHA's RAB.</b></p>

**SINGLE AUDIT REPORTS**  
**County of Kauaʻi, Hawaiʻi**



**For the Fiscal Year Ended**  
**June 30, 2018**

December 18, 2018

To the Chair and Members of  
the County Council of Kaua'i, Hawai'i  
Līhu'e, Kaua'i, Hawai'i

We have completed our financial audit of the basic financial statements and other supplementary information of the County of Kaua'i (the County), as of and for the fiscal year ended June 30, 2018. Our report containing our opinion on those basic financial statements is included in the County's *Comprehensive Annual Financial Report*. We submit herein our reports on the County's internal control over financial reporting on compliance and other matters, the County's compliance for each major federal program, internal control over compliance and on the schedule of expenditures of federal awards.

## OBJECTIVES OF THE AUDIT

The primary purpose of our audit was to form an opinion on the fairness of the presentation of the County's basic financial statements as of and for the fiscal year ended June 30, 2018, and to comply with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). More specifically, the objectives of the audit were as follows:

1. To provide a basis for an opinion on the fairness of the presentation of the County's financial statements.
2. To report on internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
3. To report on internal control over compliance related to each major federal programs and an opinion on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major federal program in accordance with the Single Audit Act Amendments of 1996 and the Uniform Guidance.

## SCOPE OF THE AUDIT

Our audit was performed in accordance with auditing standards generally accepted in the United States of America as prescribed by the American Institute of Certified Public Accountants; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Uniform Guidance. The scope of our audit included an examination of the transactions and accounting records of the County for the fiscal year ended June 30, 2018.

## ORGANIZATION OF THE REPORT

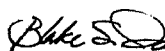
This report is presented in five parts as follows:

- Part I - Our report on internal control over financial reporting and on compliance and other matters.
- Part II - Our report on compliance for each major federal program and on internal control over compliance; and report on the schedule of expenditures of federal awards required by the Uniform Guidance.
- Part III - The schedule of findings and questioned costs.
- Part IV - The corrective action plan.
- Part V - The summary schedule of prior audit findings.

We wish to express our sincere appreciation for the excellent cooperation and assistance extended by the staff of the County.

Sincerely,

N&K CPAs, INC.



Blake S. Isobe  
Principal

# COUNTY OF KAUA'I, HAWAII

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**PART I**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**



**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

To the Chair and Members of  
the County Council of Kaua'i, Hawai'i  
Līhue, Kaua'i, Hawai'i

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Kaua'i, Hawai'i (the County) as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 18, 2018. Our report includes a reference to other auditors who audited the financial statements of the Department of Water, which is the County's discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2018-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2018-002 to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The County's Response to the Finding**

The County's response to the findings identified in our audit is described in Part IV, Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

N&K CPAs, Inc.

Honolulu, Hawai'i  
December 18, 2018

## **PART II**

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT  
ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT  
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

To the Chair and Members of  
the County and Council of Kaua'i, Hawai'i  
Līhue, Kaua'i, Hawai'i

**Report on Compliance for Each Major Federal Program**

We have audited the County of Kaua'i's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the fiscal year ended June 30, 2018. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

The County's management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2018.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2018-003 and 2018-004. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in Part IV Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a

timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-003, that we consider to be a material weakness.

The County's response to the internal control over compliance findings identified in our audit is described in Part IV Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 18, 2018, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the Department of Water, which is the County's discretely presented component unit, as described in our report on the County's financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to

N&K CPAs, Inc.

ACCOUNTANTS | CONSULTANTS

the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

N&K CPAs, Inc.

Honolulu, Hawai'i  
December 18, 2018

**County of Kaua'i, Hawai'i**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Current Year Federal Expenditure Amount	Amount Provided to Subrecipient
<b>EXECUTIVE OFFICE OF THE PRESIDENT PROGRAMS</b>				
Office of National Drug Control Policy				
High Intensity Drug Trafficking Areas Program:				
High Intensity Drug Traffic, Fiscal Year 2017			\$ 48,828	\$ --
High Intensity Drug Traffic, Fiscal Year 2018			71,090	--
Total High Intensity Drug Trafficking Areas Program	95.001		119,918	--
<b>TOTAL EXECUTIVE OFFICE OF THE PRESIDENT PROGRAMS</b>			119,918	--
<b>DEPARTMENT OF AGRICULTURE PROGRAMS</b>				
Pass-Through State of Hawai'i - Child Nutrition Programs--				
Summer Food Service Program for Children:				
Summer Fun Meals FY 2014		370S13240E72304429	47,488	--
Total Summer Food Service Program for Children	10.559		47,488	--
<b>TOTAL DEPARTMENT OF AGRICULTURE PROGRAMS</b>			47,488	--
<b>DEPARTMENT OF COMMERCE PROGRAMS</b>				
Passed Through Office of State Planning--				
Coastal Zone Management Program Administration Awards--				
Coastal Zone Management Administration Awards:				
Fiscal Year 2016-2017		B17-01CZM	(38,864)	--
Fiscal Year 2017-2018		B17-01CZM S#1	222,940	--
Total Coastal Zone Management Administration Awards	11.419		184,076	--
<b>TOTAL DEPARTMENT OF COMMERCE PROGRAMS</b>			184,076	--
<b>DEPARTMENT OF EDUCATION PROGRAMS</b>				
Passed Through State of Hawai'i Department of Human Services--				
Rehabilitation Services - Vocational Rehabilitation Grants to States:				
Summer Youth Employment		DHS-17-VR-4142	21,309	--
Total Rehabilitation Services - Vocational Rehabilitations Grants to States	84.126		21,309	--
<b>TOTAL DEPARTMENT OF EDUCATION PROGRAMS</b>			21,309	--
<b>ENVIRONMENTAL PROTECTION AGENCY PROGRAMS</b>				
Direct Award--				
Congressionally Mandated Projects:				
Water Infrastructure Waimea			(929)	--
Total Congressionally Mandated Projects	66.202		\$ (929)	\$ --

The accompanying notes are an integral part of this schedule.



**County of Kaua'i, Hawai'i**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**Fiscal Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Current Year Federal Expenditure Amount	Amount Provided to Subrecipient
<b>ENVIRONMENTAL PROTECTION AGENCY PROGRAMS (Continued)</b>				
Passed Through State of Hawai'i Department of Health--				
Capitalization Grants for Clean Water State Revolving Funds:				
Ele'ele WWTP - Sewer Revolving Funds		C150050 11	\$ 34,882	\$ --
Kekaha LF LE Cell 2		NPS0047 12	133,461	--
Total Capitalization Grants for Clean Water State Revolving Funds	66.458		168,343	--
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY PROGRAMS</b>			167,414	--
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS</b>				
Passed Through State Executive Office on Aging--				
Aging Cluster				
Special Programs for the Aging - Title III, Part C, Nutrition Services:				
C1 AEA FY 2014		KA2014N03	7,143	--
C1 AEA FY 2016		KA2016N03	22,044	--
C1 KEO 2016		KA2016N03	6,944	6,944
C2 KEO 2016		KA2016N03	94,209	94,209
C1 CONG FY 2017		KA2017N03	87,373	87,373
C2 HOMED FY2017		KA2017N03	92,487	92,487
Total Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045		310,200	281,013
Special Programs for the Aging - Title III, Part B:				
Grants for Supportive Services and Senior Centers:				
AEA AREA FY 2016		KA2016N03	1	--
AEA AREA FY 2016		KA2016N03	77,620	77,620
B AEA AREA SVS 2017		KA2017N03	94,425	--
B AEA AREA INHOME		KA2017N03	1,304	--
B AEA AREA SVS 2018		KA2018N03	63,585	--
Total Title III, Part B, Grants for Supportive Services and Senior Centers	93.044		236,935	77,620
Passed Through State Executive Office on Aging--				
Administration on Aging - Nutrition Services Incentive Program:				
Food Distribution:				
NSIP 2017		KA2017N03	50,474	50,474
Total Nutrition Services Incentive Program	93.053		50,474	50,474
Total Aging Cluster			\$ 597,609	\$ 409,107

The accompanying notes are an integral part of this schedule.

**County of Kaua'i, Hawai'i**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**Fiscal Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Current Year Federal Expenditure Amount	Amount Provided to Subrecipient
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS (Continued)</b>				
National Family Caregiver Support, Title III, Part E:				
Cooperative Agreements to States and Territories:				
3E 2016 CARE ELDER		KA2016N03	\$ 8,262	\$ 8,262
E ELDER CARE FY 2017		KA2017N03	20,166	20,166
E GRGC FY 2017		KA2017N03	1,567	1,567
E ELDER CARE FY 2018		KA2018N03	5,661	5,661
E GRGC FY 2018		KA2018N03	3,588	3,588
Total National Family Caregiver Support, Title III, Part E	93.052		<u>39,244</u>	<u>39,244</u>
Special Programs for the Aging - Title III, Part D:				
Disease Prevention and Health Promotion Services:				
D HP3D FY 2017		KA2017N03	4,950	4,950
Total Title III, Part D, Disease Prevention and Health Promotion Services	93.043		<u>4,950</u>	<u>4,950</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance:				
Passed Through State of Hawai'i Department of Health--				
PFS Prevention Grant Year One		ASO 16-161	149	--
PFS Prevention Grant Year Two		ASO 16-161	39,487	--
PFS Prevention Grant Year Three		ASO 16-161	76,922	--
Total SAMHSA Projects Regional and National Significance	93.243		<u>116,558</u>	<u>--</u>
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke:				
Passed Through State of Hawaii Department of Health--				
Complete Street Training & Capacity Building for Planning Dept.		PPB 004	2,411	--
Total State Public Health Actions to Prevent and Control Diabetes, Obesity, and Associated Risk Factors and Promote School Health Financed in Part by Prevention and Public Health Funding (PPHP)	93.757		<u>2,411</u>	<u>--</u>
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS</b>			<u>760,772</u>	<u>453,301</u>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS</b>				
Passed Through State Department of Business, Economic Development and Tourism--				
Home Investment Partnerships Program:				
Fiscal year 2006		M06SG150101	26,477	--
Fiscal year 2007		M07SG150101	18,695	--
Fiscal year 2008		M08SG150100	43,076	43,076
Fiscal year 2013		M13SG150100	147,806	147,806
Fiscal year 2016		B-16-DH-15-001	1,584,821	1,562,088
HOME - Program Income			187,318	--
Total Home Investment Partnerships Program	14.239		<u>\$ 2,008,193</u>	<u>\$ 1,752,970</u>

The accompanying notes are an integral part of this schedule.

**County of Kaua'i, Hawai'i**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**Fiscal Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Current Year Federal Expenditure Amount	Amount Provided to Subrecipient
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS (Continued)</b>				
Housing Trust Fund--				
Koa'e Workforce Housing		F16-SG150100	\$ 6,422	\$ --
Total Housing Trust Fund	14.275		<u>6,422</u>	<u>--</u>
Direct Programs:				
Lower Income Housing Assistance Program--				
Section 8 - Housing Choice Vouchers (252 Fund)			7,326,398	--
Total Section 8 Housing Choice Vouchers	14.871		<u>7,326,398</u>	<u>--</u>
Family Self Sufficiency Program (FSS)--				
Family Self Sufficiency Program FY 2017			56,894	--
Family Self Sufficiency Program FY 2018			73,433	--
Total Family Self Sufficiency Program (FSS)	14.896		<u>130,327</u>	<u>--</u>
Community Development Block Grants--				
State's Program and Non-entitlement Grants in Hawai'i:				
CDBG - Disaster Program Income			849,731	228,309
CDBG - Program Income			1,613,555	82,383
Fiscal year 2012			5,829	5,829
Fiscal year 2013			3,920	3,920
Fiscal year 2014			2,000	2,000
Fiscal year 2015			168,107	158,069
Fiscal year 2016			296,027	47,747
Fiscal year 2018			564,603	543,613
Passed Through State Department of Business, Economic Development and Tourism--				
Program Income - NSP		PEO-09-02	96,053	--
Total CDBG / State's Program and Non-Entitlement Grants in Hawai'i	14.228		<u>3,599,825</u>	<u>1,071,870</u>
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS</b>			<u>13,071,165</u>	<u>2,824,840</u>
<b>DEPARTMENT OF INTERIOR PROGRAMS</b>				
Passed Through State of Hawai'i Department of Land and Natural Resources:				
Historic Preservation Fund Grants-In-Aid:				
Certified Local Government (CLG) Hanapepe Bridge		P17AF00003	2,000	--
Total Historic Preservation Fund Grants-In-Aid	15.904		<u>2,000</u>	<u>--</u>
<b>TOTAL DEPARTMENT OF INTERIOR PROGRAMS</b>			<u>\$ 2,000</u>	<u>\$ --</u>

The accompanying notes are an integral part of this schedule.

**County of Kaua'i, Hawai'i**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**Fiscal Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Current Year Federal Expenditure Amount	Amount Provided to Subrecipient
<b>DEPARTMENT OF JUSTICE PROGRAMS</b>				
Passed Through Office of State Attorney General:				
Crime Victim Assistance:				
VOCA FY 2013 - Supplemental		15-VA-3	\$ 307,211	\$ --
VOCA FY 2014		14-VA-3	1,129	--
Total Crime Victim Assistance	16.575		<u>308,340</u>	<u>--</u>
Violence Against Women Formula Grants:				
Stop Violence Against Women - 2017		2015-WF-AX-0024	15,744	--
Stop Violence Against Women Supp - 2014		14-WF-05	25,460	--
Stop Violence Againsts Women - 2016		2016-WF-AX-0022	5,308	--
Stop Violence Against Women - 2013		13-WF-05	7,086	--
Stop Violence Against Women - 2014		14-WF-05	32,806	--
VAWA - SANE Exams		2015-WF-AX-0024	17,403	--
Total Stop Violence Against Women Grants	16.588		<u>103,807</u>	<u>--</u>
Edward Byrne Memorial Justice Assistance Grant Program:				
JAG Local Solicitation		2014-DJ-BX-1099	3,965	--
JAG Local Solicitation FY 2015		2015-DJ-BX-0557	9,858	--
JAG Local Solicitation FY 2016		2016-DJ-BX-0356	(6,291)	--
Sex Assault Prosecution		2014-DJ-BX-0910	40,981	--
JAG Drug Nuisance		2015-DJ-BX-0342	91,102	--
Sex Assault Prosecution Unit FY 2016		2016-DJ-BX-0089	58,989	--
SMEFT FY 2017		2015-DJ-BX-0342	40,729	--
Hawai'i Narcotics Task Force		2015-DJ-BX-0342	12,565	--
Statewide Multi-Jurisdictional Drug Task Force		2016-DJ-BX-0089	11,515	--
RMS & HI JIS State of Hawaii Attorney General		2013-DG-BX-K010	33,552	--
Total Edward Byrne Memorial Justice Assistance Grant Program	16.738		<u>296,965</u>	<u>--</u>
Direct Award - Public Safety and Community Policing Grants:				
COPS Hiring			552,143	--
Total Public Safety Partnership and Community Policing Grants	16.710		<u>552,143</u>	<u>--</u>
Passed Through State Department of Human Services Office of Youth Services:				
Juvenile Accountability Block Grants:				
JABG FY 17 Hale Opio Kaua'i Inc.		DHS-16-OYS-624	14,076	--
JABG FY 18 Hale Opio Kaua'i Inc.		DHS-16-OYS-624 S#2	12,102	--
Total Juvenile Accountability Block Grants	16.523		<u>26,178</u>	<u>--</u>
<b>TOTAL DEPARTMENT OF JUSTICE PROGRAMS</b>			<b>\$ 1,287,433</b>	<b>\$ --</b>

The accompanying notes are an integral part of this schedule.

**County of Kaua'i, Hawai'i**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**Fiscal Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Current Year Federal Expenditure Amount	Amount Provided to Subrecipient
<b>DEPARTMENT OF LABOR PROGRAMS</b>				
Passed Through State Department of Labor and Industrial Relations:				
WIAO Cluster				
Workforce Investment Act (WIA):				
Adult Program FY 2017		WIOA-16-AP-K	\$ 105,337	\$ 96,780
Total WIA/WIOA Adult Program	17.258		105,337	96,780
Dislocated Workers, FY 2017 - WIA-16-DWP-K		WIOA-16-DWP-K	85,891	78,728
Total WIA/WIOA Dislocated Workers Formula Grants	17.278		85,891	78,728
Youth Programs 2017		WIOA-16-YP-K	(270)	--
Youth Programs 2017		WIOA-16-YP-K	(27)	--
Total WIA/WIOA Youth Activities	17.259		(297)	--
Administrative, PY 2017		WIOA-16-LAC-K	12,222	--
Total WIA Administrative	17.000		12,222	--
Total WIOA Cluster			203,153	175,508
<b>TOTAL DEPARTMENT OF LABOR PROGRAMS</b>			203,153	175,508
<b>DEPARTMENT OF TRANSPORTATION PROGRAMS</b>				
Passed Through State Department of Transportation:				
Federal Transit Cluster				
Federal Transit - Capital Investment Grants:				
FTA Section 5309, FY 2009-2010		HI-04-0004	15,202	--
FTA Section 5309, FY 2012 (Supplemental)		HI-04-0013	32,242	--
Total Federal Transit - Capital Investment Grants	20.500		47,444	--
Bus and Bus Facilities Formula Program:				
FTA Section 5339 FFY13		HI-34-0001	65,472	--
FTA Section 5339 FFY16		HI-2016-002-00	16,613	--
FTA Section 5339 FFY17		HI-2017-003-00	4,061	--
Total Bus and Bus Facilities Formula Program	20.526		86,146	--
Total Federal Transit Cluster			133,590	--
Formula Grants for Rural Areas--				
Formula Grants for Rural Areas:				
FTA Section 5311 FFY 13		HI-18-X031	346,796	--
FTA Section 5311 FFY 16		HI-2016-004-00	302,517	--
FTA Section 5311 FFY 17		HI-2017-004-00	168,245	--
Total Formula Grants for Rural Areas	20.509		\$ 817,558	\$ --

The accompanying notes are an integral part of this schedule.

**County of Kaua'i, Hawai'i**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**Fiscal Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Current Year Federal Expenditure Amount	Amount Provided to Subrecipient
<b>DEPARTMENT OF TRANSPORTATION PROGRAMS (Continued)</b>				
Metropolitan Transportation Planning & State and Non-Metropolitan				
Planning and Research:				
FTA Section 5304 FFY110		HI-80-0019-00	\$ 38,908	\$ --
Total Metropolitan Transportation Planning & State and Non-Metropolitan				
Planning and Research	20.505		38,908	--
Highways Planning and Construction:				
Bridge Replacement - Off System:				
Hanapēpē Bridge Repair BR-0545(1)		BR-0545(1)	96	--
Puuopae Bridge Repair BR-0700(59)		BR-0700(59)	39,545	--
Kapahi Bridge Replacement BR-0700(53)		BR-0700(53)	184,586	--
Opaekaa Bridge Design BR-0700(60)		BR-0700(60)	76,678	--
Bridge Inspection BR-NBTS(065)		BR-NBTS(065)	51,717	--
Bridge Inspection and Appraisal BR-NBIS(072)		BR-NBIS(072)	1,038	--
Statewide Transportation Improvement Program:				--
Ahukini/Lydgate		STP-0700(51)	3,575	--
Kuna Bay - Anahola Bike & Pedestrian Path - CMAQ-0700(56)		CMAQ-0700(56)	(3,911)	--
Lydgate-Kapa'a Bikepath CMAQ-0700(49)		CMAQ-0700(49)	16,546	--
Lydgate/Kapa'a Bikepath STP-0700(61)		STP-0700(61)	(2,030)	--
Lydgate/Kapa'a Bikepath Phase C STP-0700(64)		STP-0700(64)	99,192	--
Nawiliwili Ahukini Bike Path CMAQ-0700(57)		CMAQ-0700(57)	9,455	--
Safe Improvements Kūhi'ō to Rice St. STP-5720(1)		STP-5720(1)	4,279	--
Resurface Various Collector Roads STP-0700(68)		STP-0700(68)	4,943	--
Safe Routes Kawaihau, Hau'ala, Mailehuna Rd. STP-0700(071)		STP-0700(071)	123,899	--
Kōloa Safety Improvements HHRP-0530(001)		HHRP-0530(001)	1,768	--
Hanapēpē Road Improvements STP-0545(2)		STP-0545(2)	2,002	--
Puhi Road Ultra Thin Layer STP-5010(1)		STP-5010(1)	378,736	--
Puhi Road Rehabilitation Phase II STP-5010(002)		STP-5010(002)	64,053	--
Safe Routes To School - Koloa Phase 2		SRS-1500(86)	32,977	--
Safe Routes To School - King Kaumualii - Phase 2		SRS-1500(86)	42,830	--
Safe Routes To School SRS-1500(086)		SRS-1500(86)	2,278	--
Poipu road STP-520(4)		STP-520(4)	228,450	--
Kawaihau Elevated Boardwalk STP-0700(69)		STP-0700(69)	106,434	--
Safe Routes to School - Kalaheo School Ph 1 STP-0700(077)		SRS-0700(077)	148	--
Island Wide - Safe Routes to School SRS-0700(074)		SRS-0700(074)	4,740	--
Total Highways Planning and Construction	20.205		\$ 1,474,024	\$ --

The accompanying notes are an integral part of this schedule.

**County of Kaua'i, Hawai'i**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**Fiscal Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Current Year Federal Expenditure Amount	Amount Provided to Subrecipient
<b>DEPARTMENT OF TRANSPORTATION PROGRAMS (Continued)</b>				
State and Community Highway Safety:				
OPA DOT Highway Safety 2017		AL17-02(04-S-01)	\$ 23,811	\$ --
OPA DOT Highway Safety 2018		AL18-02(04-S-01)	108,550	--
KPD Distracted Driver - FY 2017		DD17-10(04-K-01)	1,375	--
KPD Youth Deterrence FY 2017		AL17-02(06-K-01)	15,896	--
KPD Traffic Records - FY 2017		TR17-03(07-K-01)	305	--
KPD Roadblock Grant - FY 2017		AL17-02(01-K-04)	32,519	--
KPD Speed Enforcement - FY 2017		SC17-06(01-K-04)	34,911	--
KPD Traffic Enforcement - FY 2017		PT17-01(04-K-01)	17,077	--
KPD Highway Safety - FY 2017		OP17-03(01-K-04)	7,624	--
KPD Distracted Driver - FY 2018		DD18-10(04-K-01)	14,345	--
KPD DOT Traffic Records - FY 2018		AL18-02(06-K-01)	770	--
KPD Highway Safety Grant - FY 2018		AL18-02(01-K-04)	33,294	--
KPD Speed Enforcement - FY 2018		SC18-06(01-K-04)	25,842	--
KPD Traffic Services - FY 2018		PT18-01(04-K-01)	6,355	--
KPD Highway Safety Plan - FY 2018		PT18-01(04-K-01)	31,440	--
Total State and Community Highway Safety	20.600		354,114	--
National Priority Safety Programs				
KPD Pedestrian Enforcement Project		PT17-09(05-K-01)	3,267	--
Total National Priority Safety Programs	20.616		3,267	--
Direct Program--				
National Infrastructure Investments:				
TIGER Discretionary Grants:				
Lihue Town Core Mobility and Revitalization Project			499,275	--
Total National Infrastructure Investments	20.933		499,275	--
<b>TOTAL DEPARTMENT OF TRANSPORTATION PROGRAMS</b>			<b>3,320,736</b>	<b>--</b>
<b>CORPORATION FOR NATIONAL SERVICE PROGRAMS</b>				
Direct Program--				
Retired and Senior Volunteer Program:				
Title II, Part A, Older Americans Volunteer Program:				
RSVP - CY 16 - 15SRPHI003			2,924	--
RSVP - CY 17 - 15SRPHI003			49,225	--
RSVP - CY 18 - 15SRPHI002			16,398	--
Total Retired and Senior Volunteer Program	94.002		68,547	--
<b>TOTAL CORPORATION FOR NATIONAL SERVICE PROGRAMS</b>			<b>\$ 68,547</b>	<b>\$ --</b>

The accompanying notes are an integral part of this schedule.

**County of Kaua'i, Hawai'i**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**Fiscal Year Ended June 30, 2018**

<b>Federal Grantor/Pass-Through Grantor/Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Current Year Federal Expenditure Amount</b>	<b>Amount Provided to Subrecipient</b>
<b>DEPARTMENT OF HOMELAND SECURITY PROGRAMS</b>				
Passed Through State Department of Health and State Civil Defense Agency:				
Disaster Grants - Public Assistance (Presidentially Declared Disaster):				
Fire Station Roof Damage - March 3-11, 2012		FEMA-4062-DR-HI	\$ (3,521)	\$ --
Total Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036		(3,521)	--
Emergency Management Performance Grants:				
EMPG FY 2017		EMW-2017-EP-00003	92,472	--
Total Emergency Management Performance Grants	97.042		92,472	--
Homeland Security Grant Program:				
Homeland Security Grant 2015		EMW-2015-SS-00003-S01	20,017	--
Homeland Security Grant 2016		EMW-2016-SS-00004	111,474	--
Total Homeland Security Grant Program	97.067		131,491	--
Assistance to Firefighters Grants:				
AFG Grant FY 2016		EMW-2014-FV-02441	(7,044)	--
AFG Grant Smoke Alarm FY 2018		EMW-2016-FP-00667	1,379	--
Total Assistance to Firefighters Grant Program	97.044		(5,665)	--
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY PROGRAMS</b>			<b>214,777</b>	<b>--</b>
<b>TOTAL ALL FEDERAL PROGRAMS</b>			<b>\$ 19,468,788</b>	<b>\$ 3,453,649</b>

The accompanying notes are an integral part of this schedule.



**County of Kaua'i, Hawai'i**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Year Ended June 30, 2018**

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activities of the County under programs of the federal government for the fiscal year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management Budget Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

**NOTE C - INDIRECT COST RATE**

The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE D - LOANS OUTSTANDING**

The County had the following newly issued loan balances outstanding as of June 30, 2018. These loan program amounts are also included in the federal expenditures presented in the schedule of expenditures of federal awards.

<u>Federal Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Community Development Block Grants	14.228	\$ 175,000
Home Investment Partnerships Program	14.239	375,351
		\$ <u>550,351</u>

**PART III**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**County of Kaua'i, Hawai'i**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2018**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☒ yes

☐ no

Significant deficiency(ies) identified?

☒ yes

☐ none reported

Noncompliance material to financial statements noted?

☐ yes

☒ no

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?

☒ yes

☐ no

Significant deficiency(ies) identified?

☐ yes

☒ none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☒ yes

☐ no

Identification of major federal programs:

CFDA Number

Name of Federal Program

14.228

Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

14.239

HOME Investment Partnerships Program

20.205

Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

☒ yes

☐ no

**County of Kauaʻi, Hawaiʻi**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**Fiscal Year Ended June 30, 2018**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Ref.**

**No.**

**Internal Control Findings**

**2018-001    Reconcile Bank Accounts on a Timely Basis - Material Weakness**

**Criteria:** Performing bank reconciliations is an internal control procedure to ensure that all transactions are accurate and have been recorded. Internal controls are only effective if the internal controls are performed in a timely manner.

**Condition:** The County holds cash accounts in several financial institutions. Reconciliations between the bank balance and the general ledger were not completed timely. During our current year audit, we noted the following:

- We noted the bank reconciliation for the month of December 2017 was not completed until June 2018.
- We noted the bank reconciliations for the months of January through June 2018 were not completed until September 2018.

**Cause:** The County experienced turnover in the Treasury department with the retirement of several key personnel during December 2017. Although a new Treasurer was hired by the County during December 2017, additional key positions remained vacant until April 2018. Bank reconciliation procedures were not started until all key positions were filled, which resulted in the reconciliations not being completed timely.

**Effect:** The untimely reconciliation between bank balances and the County's records could result in undetected misstatements of the County's general ledger.

**Identification as a Repeat Finding, if applicable:**

Not applicable.

**Recommendation**

The County should perform timely bank reconciliations to reduce the risk that errors will go undetected and/or uncorrected. The County should perform reconciliations monthly to ensure the timely identification and resolution of errors that will ensure that general ledger balances are accurate and properly supported.

**Views of Responsible Officials and Planned Corrective Action**

The County agrees with the finding and the recommendation. See Part IV Corrective Action Plan.

**County of Kauaʻi, Hawaiʻi**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**Fiscal Year Ended June 30, 2018**

**SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)**

**Ref.**

**No.**

**Internal Control Findings (Continued)**

**2018-002 iNovah Program Implementation - Significant Deficiency**

**Criteria:** Controls are in place over the initiation, authorization, purchasing, testing, deployment, and maintenance over the implementation of a software program. Program implementation (including changes to system software) is subject to formal change management procedures that should be standardized, logged, approved, and documented.

**Condition:** During our audit, we noted that the implementation of the iNovah cashiering program during December 2017 followed a software implementation plan that was provided by and managed by the vendor. However, information technology (IT) procedures that were part of the County's responsibility under the implementation plan related to change management progress and program test environments were not formally documented.

**Cause:** The County does not have formal change management policies and procedures that are documented and implemented.

**Effect:** Program changes implemented without documented formal change management policies and procedures can result in the program to either process data differently than intended or unexpectedly compromise the integrity of the data maintained.

After the implementation of the iNovah cashiering system, exports of the data captured by the system to record to the County's general ledger may occasionally result in incomplete exports or may fail, which have to be investigated. This has caused delays in the monthly processing and reconciliation of the County's cash receipts.

**Identification as a Repeat Finding, if applicable:**

Not applicable.

**Recommendation**

The County should develop and implement formal change management policies and procedures that are consistently followed.

**Views of Responsible Officials and Planned Corrective Action**

The County agrees with the finding and the recommendation. See Part IV Corrective Action Plan.

**County of Kaua'i, Hawai'i**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**Fiscal Year Ended June 30, 2018**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Ref.**

**No.**

**Compliance and Internal Control over Compliance Findings**

**2018-003 Unallowable Costs - Material Weakness**

**Federal agency: Department of Housing and Urban Development  
CFDA No. 14.239**

**Program: HOME Investment Partnerships Program**

**Questioned  
Cost**

**Criteria:** HOME program funds are to be used in accordance with the 2013 HOME Final Rule, 24 Code of Federal Regulations (CFR) Part 92, which are the regulations governing the implementation of the HOME program. Under 'Eligible Activities' of 24 CFR Part 92, HOME funds may be used by a participating jurisdiction for new construction of non-luxury housing, including financing costs and reasonable administrative and planning costs. Eligible project costs include professional services, development hard costs, and site improvements.

**Condition:** During our testing of allowable costs for the HOME program, we noted \$381,155 in unallowable costs included in payment request drawdowns that were initially approved and submitted by the Kauai County Housing Agency (Housing) for a subrecipient of the HOME program. These costs were subsequently determined to be unallowable costs by the Hawaii Housing Finance and Development Corporation. The payment request drawdowns for the fiscal year totaled \$1,589,817 which were related to the construction of a workforce housing project. As of June 30, 2018, the County continues to recoup unallowed reimbursements made to the subrecipient and has recorded a receivable totaling \$274,330.

**Cause:** The County did not adhere to the guidance stated in the 2013 HOME Final Rule, 24 Code of Federal Regulations CFR Part 92 when determining allowability of costs for a payment request drawdown under the HOME program.

**Effect:** The County approved and reimbursed invoices for a subrecipient totaling \$381,155 in payment request drawdowns that were unallowable under the HOME program. As of June 30, 2018, \$274,330 is recorded as a receivable due from the subrecipient.

\$           --          

**Identification as a Repeat Finding, if applicable:**

Not applicable.

**Recommendation**

The County should adhere to the guidance stated in the 2013 HOME Final Rule, 24 Code of Federal Regulations CFR Part 92 and ensure that only allowable costs are submitted for payment request drawdowns under the HOME program.

**Views of Responsible Officials and Planned Corrective Action**

The County agrees with the finding and the recommendation. See Part IV Corrective Action Plan.

**County of Kaua'i, Hawai'i**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**Fiscal Year Ended June 30, 2018**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)**

<b>Ref. No.</b>	<b>Compliance and Internal Control over Compliance Findings (Continued)</b>	<b>Questioned Cost</b>
<b>2018-004</b>	<b>Subrecipient Monitoring</b>	
	<b>Federal agency: Department of Housing and Urban Development CFDA No. 14.239</b>	
	<b>Program: HOME Investment Partnerships Program</b>	
<b>Criteria:</b>	Under the Uniform Guidance, 2 Code of Federal Regulations (CFR) 200.331 'Requirements for pass-through entities' states that all pass-through entities must verify that every subrecipient is audited as required by 2 CFR 200 Subpart F when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded \$750,000. A management decision should be documented for any findings related to the Federal award provided to the subrecipient, which should be followed-up on to ensure the subrecipient takes timely and appropriate action on all deficiencies.	
<b>Condition:</b>	During our testing of required subrecipient monitoring, we noted one (1) instance where the County, as the pass-through entity, did not perform monitoring procedures to ensure that a subrecipient expending \$750,000 or more in Federal awards during the year was audited.	
<b>Cause:</b>	The subrecipient agreement requires the subrecipient to provide to the County all records including audits. However, the County did not have a documented policy to request and review subrecipient audit reports on an annual basis when it is expected that the subrecipient will expend \$750,000 or more in Federal awards.	
<b>Effect:</b>	Failure to properly review the subrecipient's audit report could result in the County not being aware of any findings or noncompliance related to the Federal award provided to the subrecipient.	\$ <u>          --          </u>
<b>Identification as a Repeat Finding, if applicable:</b>		
Not applicable.		
<b>Recommendation</b>		
The County should implement a process to monitor and follow-up with subrecipients to submit audits during the respective fiscal year when expending \$750,000 or more in Federal awards. The County should review the audit report, issue and document a decision on any audit findings related to the Federal awards provided to the subrecipient, and ensure that the subrecipient takes the appropriate corrective action.		
<b>Views of Responsible Officials and Planned Corrective Action</b>		
The County agrees with the finding and the recommendation. See Part IV Corrective Action Plan.		

**PART IV**  
**CORRECTIVE ACTION PLAN**





DEPARTMENT OF FINANCE  
THE COUNTY OF KAUAI

DEREK S. K. KAWAKAMI, MAYOR  
MICHAEL A. DAHLIG, MANAGING DIRECTOR

KEN M. SHIMONISHI  
DIRECTOR

MICHELLE L. LIZAMA  
DEPUTY DIRECTOR

December 18, 2018

Blake S. Isobe  
N & K CPA's Inc.  
1001 Bishop Street, Suite 1700  
Honolulu, HI 96813-3696

Dear Mr. Isobe:

Attached are the County of Kaua'i's responses and corrective action plans related to your fiscal year 2018 audit report *Uniform Guidance Single Audit Report* Current Findings and Recommendations. We appreciate the opportunity to comment on the audit report.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken M. Shimonishi", is written over a horizontal line.

Ken M. Shimonishi  
Director of Finance

Attachment

**County of Kaua'i, Hawai'i**  
**CORRECTIVE ACTION PLAN**  
**Fiscal Year Ended June 30, 2018**

**Ref.**  
**No.**

**Internal Control Findings**

**2018-001 Reconcile Bank Accounts on a Timely Basis - Material Weakness**

**Auditor's**

**Recommendation:** The County should perform timely bank reconciliations to reduce the risk that errors will go undetected and/or uncorrected. The County should perform reconciliations monthly to ensure the timely identification and resolution of errors that will ensure that general ledger balances are accurate and properly supported.

**Corrective**  
**Action:**

The Department of Finance has hired permanent skilled professional staff to support and assist the Treasurer in reconciling the County's numerous bank accounts and continue to reconcile them timely on an ongoing basis.

The Treasury has instituted a policy by which bank accounts are reconciled within thirty (30) days of receipt of each respective bank statement.

**End Date:** On-going

**Responding**  
**Person(s):**

David S. Schwartz, Treasurer, Department of Finance, Phone: (808) 241-4253

**County of Kaua'i, Hawai'i**  
**CORRECTIVE ACTION PLAN**  
**Fiscal Year Ended June 30, 2018**

**Ref.**

**No.**

**Internal Control Findings (Continued)**

**2018-002 iNovah Program Implementation - Significant Deficiency**

**Auditor's**

**Recommendation:** The County should develop and implement formal change management policies and procedures that are consistently followed.

**Corrective**

**Action:**

On November 20, 2018, the Kauai County IT Change Management Policies were created to address the change management policies and procedures that had been asserted in prior audits.

**End Date:**

On-going

**Responding**

**Person(s):**

Maxwell Klutke; Assistant IT Manager, Department of Finance, Division of Information Technology, Phone: (808) 241-4415

**County of Kaua'i, Hawai'i**  
**CORRECTIVE ACTION PLAN**  
**Fiscal Year Ended June 30, 2018**

**Ref.**

**No.**

**Internal Control Over Compliance Findings**

**2018-003    Unallowable Costs - Material Weakness**

**Auditor's**

**Recommendation:**    The County should adhere to the guidance stated in the 2013 HOME Final Rule, 24 Code of Federal Regulations CFR Part 92 and ensure that only allowable costs are submitted for payment request under the HOME program.

**Corrective**

**Action:**

The County will implement Federal Project Monitoring (FPM) procedures to adhere to the guidance stated in the 2013 HOME Final Rule, 24 Code of Federal Regulations CFR Part 92. The FPM will address 1) Program Performance 2) Financial Performance 3) Regulatory Compliance.

**End Date:**

On-going

**Responding**

**Person(s):**

Steve Franco, Housing Development Coordinator, Kauai County Housing Agency, Development Division, Phone: (808) 241-4419

**County of Kauaʻi, Hawaiʻi**  
**CORRECTIVE ACTION PLAN**  
**Fiscal Year Ended June 30, 2018**

**Ref.**

**No.**      **Internal Control Over Compliance Findings (Continued)**

**2018-004   Subrecipient Monitoring**

**Auditor's**

**Recommendation:**    The County should implement a process to monitor and follow up with subrecipients to submit audits during the respective fiscal year when expending \$750,000 or more in Federal awards. The County should review the audit report, issue and document a decision on any audit finding related to the Federal awards provided to the subrecipient, and ensure that the subrecipient takes the appropriate corrective action.

**Corrective  
Action:**

The County will implement Federal Project Monitoring (FPM) procedures to adhere to 2 Code of Federal Regulations (CFR) 200.331. The FPM will include monitoring procedures to ensure that a subrecipient expending \$750,000 or more in Federal awards during the year was audited.

**End Date:**              On-going

**Responding  
Person(s):**

Steve Franco, Housing Development Coordinator, Kauai County Housing Agency, Development Division, Phone: (808) 241-4419

**PART V**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**County of Kaua'i, Hawai'i**  
**STATUS REPORT**  
**Fiscal Year Ended June 30, 2018**

This section contains the current status of our prior audit recommendations. The recommendations are referenced to the pages of the previous audit report for the fiscal year ended June 30, 2018, dated December 8, 2017.

**SECTION II - FINANCIAL STATEMENT FINDINGS**

<b>Recommendations</b>		<b>Status</b>
<b>2017-001</b>	<b>Prior Period Adjustment - Significant Deficiency</b>  Management should identify significant non-routine accounting transactions and ensure that a process is established in which management-level fiscal personnel are actively involved in both the determination of the proper accounting treatment and timely review of the transactions being posted.	Accomplished

**Certifications of Compliance with  
PHA Plans and Related Regulations  
(Standard, Troubled, HCV-Only, and  
High Performer PHAs)**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 02/29/2016

**PHA Certifications of Compliance with the PHA Plan and Related Regulations including  
Required Civil Rights Certifications**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the   X   5-Year and/or   X   Annual PHA Plan for the PHA fiscal year beginning July 2019, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:*

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
6. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those programs, addressing those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.
7. For PHA Plans that includes a policy for site based waiting lists:
  - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2010-25);
  - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing;
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.



12. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
13. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
14. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
15. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
16. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
17. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
18. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
19. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

Kauai County Housing Agency  
PHA Name

HI005  
PHA Number/HA Code

X Annual PHA Plan for Fiscal Year 2020

X 5-Year PHA Plan for Fiscal Years 2020 - 2024

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

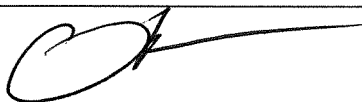
Name of Authorized Official

Title

Derek S.K. Kawakami

Mayor, County of Kauai

Signature



Date

8/19/19

**Certification by State or Local  
Official of PHA Plans Consistency  
with the Consolidated Plan or  
State Consolidated Plan  
(All PHAs)**

U. S Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 2/29/2016

**Certification by State or Local Official of PHA Plans  
Consistency with the Consolidated Plan or State Consolidated Plan**

I, Derek S.K. Kawakami, the Mayor, County of Kauai  
*Official's Name* *Official's Title*

certify that the Annual PHA Plan of the

Kauai County Housing Agency  
*PHA Name*


is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of  
Impediments (AI) to Fair Housing Choice of the

County of Kauai  
*Local Jurisdiction Name*  
pursuant to 24 CFR Part 91.

Provide a description of how the PHA Plan is consistent with the Consolidated Plan or State Consolidated Plan and the AI.

The Annual and 5-Year PHA Plans are consistent with the Consolidated Plan in that the PHA is developing and implementing strategies to meet local affordable housing needs by providing safe, decent and sanitary housing for residents and participants of the Housing Choice Voucher Program which meets low to moderate income objectives of the Consolidated Plan.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Derek S.K. Kawakami	Mayor, County of Kauai
Signature	Date
	8/19/19

**Kaua'i County Housing Agency**  
**Progress Report**  
**Attachment D**

**Preserve tenant-based rent subsidies under the Section 8 Housing Choice Voucher Program**

Objective 1 – Maintain lease-up percentages at or above 98% of HAP budget to maintain budget levels.

*The Housing Choice Voucher Program utilized 103.3% of annual budget authority for 2018.*

1. Work closely with fiscal to develop additional monitoring worksheets to enable the agency to immediately respond to changing participation rates.

*The Housing Choice Voucher Program utilizes the HUD provided 2-year forecasting tool as well as Nan McKay funding worksheets and program worksheets within the agency's Housing Pro software system to determine levels of funding versus lease-up.*

2. Pursue additional opportunities to add to the agency's supply of Housing Choice Vouchers.

*The Housing Agency continues to pursue the utilization of Project-Based Vouchers (PBV) in conjunction with the Administrative Plan. The Housing Agency anticipates utilizing up to 20% of vouchers for PBV. The Housing Agency currently has 1,160 units under Annual Contributions Contract (232 units maximum for PPV). Units selected for PBV will in accordance with the Administrative Plan, be in areas that provide for deconcentrating poverty and expanding housing and economic opportunity. PBV units will also be located in areas that meet neighborhood standards in accordance with HUD regulations at 24 CFR 983.57.*

*Currently, KCHA has 33 approved PBV units ready to be utilized in FY20 at Koa'e Makana (south sided district), 8 PBV units are being processed to be approved and utilized in the West Kauai district, and up to 30 more PBV units will be processed for existing properties island wide.*

Objective 2 – Increase access to rental housing opportunities for low-income residents to increase voucher utilization rates.

1. Assist participants in the Housing Choice Voucher Program to overcome barriers and secure housing by expanding housing search resources, increasing counseling and training, and pursuing other program innovations.

*The Housing Choice Voucher Program continues to work closely with community agencies and service providers including those that are part of HUD's Continuum*

*of Care to leverage resources and provide services such as deposit assistance to participants and applicants alike. Program participants will also be offered financial education resources gathered by the Family Self-Sufficiency Program that will education participants in budgeting, credit and counseling that will make the participants more knowledgeable and educated to overcome barriers and secure housing.*

2. Identify and outreach to landlords who are not currently part of the Housing Choice Voucher Program.

*The Housing Agency in partnership with the Kaua'i Board of REALTORS and the local Continuum of Care conducted its second annual landlord summit on November 9, 2018. The summit brought approximately 50 interested landlords together with the Housing Choice Voucher Program and other community agencies and service providers to develop strategies for lease-up, occupancy and outreach. The summit also educated current and new landlords with the Housing Choice Voucher Program on the benefits of the program to landlords as well as program rules and procedures.*

*On February 22, 2019, the Housing Agency presented its first inaugural Kauai Housing Summit, which was hosted by Kauai County Mayor Derek Kawakami. The Housing summit brought together up to 140 community members. The Housing Agency and its non profit partners collaborated with the community on the county's initiatives and tools used to develop affordable housing. Panel discussions yielded insight on how the County and the Housing agency can make adjustments to its development approach toward creating more units and partnerships to sustain affordable housing.*

3. Track use of vouchers across the county and monitor trends and use the information to develop additional strategies.

*Due to the volatility of the rental market and short supply of affordable rental units, demand for rental units far exceeds supply. HUD Fair Market Rents have continued to decrease in the Housing Agency's jurisdiction. The Housing Choice Voucher Program has cautioned program participants on moving to new units due to the Fair Market Rent situation. The program is providing higher payment standards for families that have requested reasonable accommodations. The program also continues to utilize Rent o meter, an online electronic database providing rental information to provide up to date rent comparability figures. The program has been incorporating Rent o meter data for approximately three years.*

*The Kaua'i County Housing Agency has procured a rent study will be submitted to HUD.*

Objective 3 – Reduce the dependency of low-income families on the Housing Choice Voucher Program.

1. Increase Family Self-Sufficiency Program participation and graduation rates.

*The Housing Choice Voucher Program continues to work through its Family Self-Sufficiency Program to increase program participation and graduation rates through the use of one full-time and one part-time coordinators. At the conclusion of 2018, the Family Self-Sufficiency Program serviced:*

*Total Participants (Households): 100*

*Total Participants (Total Unduplicated Individuals): 336*

- Individuals Under Age 6: 43*
- Individuals Age 6-17: 146*
- Individuals Age 18-30: 42*
- Individuals Age 31-50: 88*
- Individuals Age 51-61: 13*
- Individuals Age 62+: 4*

*Total Cost per Participant Household this Period: \$1,719.30*

*Total Participant Households with Earned Income: 71 (71%)*

- Total Participant Households who Increased Earned Income this Period over Last Period: 46 (72%)*
- Average Increase in Earned Income: \$15,844.89*

*Total Number of Households Enrolled Into Program this Period: 19*

*Total Number of Households Exited Without Graduation this Period: 7*

*Total Number of Households Graduated from Program this Period: 12*

*Total Escrow Dollars Paid to Qualifying Graduates this Period: \$59,345.52*

2. Provide opportunities for education, job training and counseling.

*The Family Self-Sufficiency Program works with participants in achieving job training, education and counseling by connecting participants with services and resources within the community such as the local community college, vocational service providers, mental health and substance abuse counseling, homeownership counseling and financial education counseling. These providers are located within the Housing Agency's jurisdiction and conveniently accessible to participants.*

3. Assist participants in job placement and increasing earned income.

*The Family Self-Sufficiency Program works with participants in achieving job placement and increasing earned income by connecting participants with services and resources within the community such as the local workforce development office and vocational service providers. These providers are*

*located within the Housing Agency's jurisdiction and conveniently accessible to participants. The program also participates in the Workforce Innovation & Opportunity Act system as a partner in the one-stop employment system and local workforce development board.*

## **Maintain and expand affordable housing inventory to meet the needs of Kaua'i's population**

Objective 1 – Establish a 5-year affordable housing development plan.

1. Complete an island-wide study to determine affordable/workforce housing demands.

*Completed during the FY2014 (7/1/13-6/30/14) annual plan.*

2. Finalize a 5-year development plan.

*Currently analyzing study to develop the 5-year plan.*

Objective 2 – Encourage, support and initiate development of 400 affordable housing units.

1. Identify and develop County properties that are ideal for affordable housing.

*Kaniko'o (formerly Rice Camp) Phase I was completed and opened in January 2015 (60 affordable senior housing units). Kaniko'o Phase II was completed in 2018. Kaniko'o Phase II comprises an additional 30 affordable senior housing units. Koa'e Makana is currently under construction and when completed in the summer of 2020 will comprise of 134 affordable units. Pua Loke Affordable Housing Project is currently in pre-development and will comprise of 50 affordable housing units.*

2. Leverage County resources to support and encourage development of affordable housing.

*The Housing Agency will leverage HOME funds for the Koa'e Makana and Waimea Huakai Apartments development.*

3. Purchase and/or accept land/housing with off-site infrastructure suitable for the public/private development of affordable housing units through Ordinance 860 or other ordinances.

*The County previously accepted an 11-acre parcel with infrastructure in Koloa from A&B Properties that will become the Koa'e project comprising of 134 affordable housing units.*

4. Organize stakeholder's common interest in order to partner and collaborate on efforts to leverage development resources.

*The County continues to utilize its Affordable Housing Task Force.*

5. Actively support affordable housing projects through the organization of an Affordable Housing Task Force.

*The County continues to utilize its Affordable Housing Task Force.*

6. Establish policies to "fast track" affordable housing development under Section 201H-38, Hawai'i Revised Statutes: exemption from statutes, ordinances, charter provisions and rules.

*The Housing Agency and County completed its 201H-38 application in mid-2016 and submitted the application to the Hawai'i Housing Finance & Development Corporation. The 201H-38 application was approved by the Kaua'i County Council on August 18, 2016. The State of Hawai'i's Land Use Commission approved the request for district boundary amendment in July 2017 which will allow the Lima Ola affordable housing development to move forward in west Kaua'i County. This project is currently in pre-development.*

7. Track and participate in County, State and Federal legislation.

*Ongoing efforts continue.*

8. Amend Ordinance 860 to better support and promote affordable housing through developer exactions.

*In June of 2019, a Residential Nexus Analysis and Feasibility Study was completed for the County of Kauai to assist the County in making amendments to Ordinance 860.*

### **Increase financial capacity to support the goals and objectives of the Housing Agency**

Objective 1 – Increase development funding that will create 250 new affordable housing units.

1. Create a 5-year budget based on the Strategic Plan.

*The agency continues to work through its accounting division to create a feasible budget despite limitations in software procurement and reductions in overall funding.*

2. Identify and obtain at least two new sources of funding for the Housing Agency.

*The agency continuously evaluates the potential for tax revenue generating sources of income. Further, the Housing Agency continuously evaluates non-Federal funding opportunities such as state funding or private third-party funding to support agency programs and operations.*

Objective 2 – Maintain administrative and operational budget over the next 5 years.

1. Increase program income stream to support 50% of administration and new affordable housing production.

*The agency continues to work toward increasing lease-ups within the Housing Choice Voucher Program to maintain or increase administrative fee income to support the administrative and operational budget.*

2. Obtain administration and council support to fund development projects.

*The agency continues to receive administration and council support to fund development projects as well as support agency activities overall.*

### **Provide efficient, consistent and quality delivery of services**

Objective 1 – Increase operational efficiency in order to maintain the same operational budget for the next 5 years.

1. Reorganize staff roles and job descriptions so that work loads are more evenly balanced and tasks more effectively completed.

*In March of 2016, the agency received new leadership as its former Special Assistant to the Housing Director was promoted to Director and its former Section 8 Program Manager stepped into a different position within the agency. The agency's Family Self-Sufficiency Coordinator was subsequently promoted to become the new Section 8 Program Manager. Leadership continues to evaluate agency job descriptions and workloads and implement changes as needed.*

2. Update and improve operations and services by implementing appropriate electronic support technologies.

*The agency upgraded to the newest version of its management information system that is used in all facets of program operations. The system is called Housing Pro 9.1 from HAPPY Software. The new 9.1 version of the system yields greater efficiency and improved operational streamlining that will create greater efficiency. Additionally, the agency is evaluating add-on components to its Housing Pro software. The software currently has an add-on module that allows for document digitization of tenant and landlord documents thereby*



*reducing paper, file storage space and improving efficiency and customer service. Implementation of these add-on modules would occur sometime in FY2019.*

3. Clarify or create procedures that increase efficiency and quality of services.

*The agency adopted an operations handbook in January 2017 for the Section 8 Housing Choice Voucher Program. The purpose of the operations handbook is to codify daily procedures and workflow by each function of the program. The operations handbook has been designed to be used in conjunction with the agency's Administrative Plan and third-party training and reference materials from Nan McKay & Associates. The operations has also been designed as a "living document" that can be revised and evolve as the program evolves.*

Objective 2 – Establish assessment and evaluation procedures that measure progress as it relates to the goals and objectives.

1. Administer annual evaluation and goal setting for all staff.

*Annual evaluation and goal setting for all staff is ongoing and completed annually.*

2. Create a procedure to evaluate the Housing Agency's progress as it relates to its goals and objectives.

*The agency and program leadership meets with all staff on a regular basis. Goals and objectives are monitored for progress and feedback is obtained from staff.*

3. Create service evaluation and/or surveys to encourage feedback from clients, grantees and consultants.

*The Section 8 Program previously conducted customer satisfaction surveys for tenants and landlords via a paper and mail survey system. The program will further look to utilize electronic evaluation survey methods in 2017-2018.*

## **Promote and sustain community development activities**

Objective 1 – Increase funding

1. Identify and obtain other sources of funding that can promote and leverage community development.

*The Housing Agency leadership continues to research and develop other sources of funding for the agency in collaboration with the administration. The Housing Agency's Housing Choice Voucher Program implemented a tenant-*

*based rental assistance program with HOME funding in November 2016. The purpose of this funding will be to provide rental security deposit, rent assistance and utility deposits for families with children. HOME and National Housing Trust Funds (HTF) will be utilized for development of the 134 rental units at the Koa'e Workforce Housing project. HOME funds will be utilized for the development of 34 rental units at the Waimea Huakai Apartments.*

2. Utilize Community Development Block Grant to assist private organizations in providing services for substance abuse, mental health, employment training and childcare for the target populations of youth, adults, seniors and people with disabilities.

*The Housing Agency utilizes Community Development Block Grant funding annually to assist private organizations in providing services for substance abuse, mental health, employment training and childcare for the target populations of youth, adults, seniors and people with disabilities. For 2018, over \$708,000 has been awarded to various community agencies and programs:*

- *Kaua'i Economic Opportunity, Inc. Emergency Homeless Shelter Rehabilitation: Rehabilitate the shelter to improve and/or correct ADA accessibility extend the life of the shelter.*
- *Hawaiian Community Assets, Inc. Homeownership Education and Counseling Project: Provide HUD-certified housing education workshops and counseling to low- to moderate-income individuals or households in order to increase homeownership opportunities and prevent foreclosure.*
- *County of Kauai Departments of Parks and Recreation Kalena Park Rehabilitation: Rehabilitate the basketball court and restroom to improve the use and accessibility of the park located in a low-to-moderate income area neighborhood.*
- *Homestead Community Development Corporation Local Family Small Homes Program: Provide outreach and training to increase access to knowledge and resources required to develop homes less than 640 square feet compliant to Kauai County Building Code.*

*The Housing Agency is in process of selecting project awards for the Community Development Block Grant Program for 2019 and readying for Mayor and County Council approval.*

## Objective 2 – Increase awareness

1. Foster relations with public entities and private organizations to build partnerships that can initiate and support community development.

*The Housing Choice Voucher Program will work with Mark Development, Inc. on potential for Project-Based Vouchers for the Koa'e development and with the Ahe Group on the Waimea Huakai Apartments.*